V. 9, #43

SCIENCE

FOREIGN AGRICULTURE

October 25, 1971

NOV 1 - 1971

Australia Squeezes Tobacco Imports

Surge in World Fats and Oils Output

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FOREIGN AGRICULTURE
VOL. IX • No. 43 • Oct. 25, 1971

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This week's cover:

Workers on a Malaysian plantation gather coconuts from which oil will be processed. Coconut is the most important of the palm oils, although output has declined slightly in recent years. For an analysis of trends in world fats and oils production of all types, see story beginning page 6.

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Use of funds for printing *Foreign Agriculture* has been approved by the Director of the Bureau of the Budget (May 1, 1969). Yearly subscription rate, $10.00 domestic, $13.00 foreign; single copies 20 cents. Order from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

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Australian Policies on To

By B. G. ANDREWS
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Australia has long expanded its tobacco production through Government-supported, high-cost domestic output and policies which limit imports. These policies are of increasing concern to U.S. tobacco producers, who have looked to Australia as a major export outlet for their output.

Australia's attractiveness as a tobacco market has been enhanced during the past decade. The economy of the country has started to hum with a minerals boom and rising exports, and the gross national product has risen from 6 to 8 percent annually. Reflecting the high standard of living, tobacco consumption has increased rapidly.

But agricultural products are still important to the economy of Australia. In 1970-71, more than 45 percent of the country's export earnings were derived from agriculture.

For the United States, a major trading partner, agricultural commodities accounted for $339 million in imports from Australia and $40 million in exports to Australia. For years, tobacco and cotton were the major agricultural commodities exported by the United States to this area. In the late 1950's, Australia was the third largest export market for U.S. unmanufactured leaf tobacco; these imports filled over three-fourths of its annual requirements. Yet Australian Government policies of assisting domestic tobacco and cotton production have drastically reduced imports of both these commodities.

Auction sale of Australian tobacco leaf at Melbourne. Australian manufacturers have been required to use increasing percentages of local leaf to avoid higher duties on imports.

Tobacco Curb Imports

For tobacco, Government measures resulting in this trend include high prices to growers; high tariff rates; and "mixing regulations" and domestic marketing quotas which encourage larger production and consumption of Australian leaf.

The Australian Tobacco Board, which has the responsibility for administering the Tobacco Stabilization Plan, virtually controls the tobacco industry. Its membership is dominated by producers and State Government representatives. The Tobacco Stabilization Plan was introduced in 1965 to cope with marketing problems resulting from increases in tobacco production.

The Government has long assisted the tobacco growers by requiring manufacturers either to use a higher percentage of domestic leaf or to pay a higher duty on imported leaf than would otherwise be charged. The operation of this system has led to a steady increase in Australian production and thus to further marketing problems.

Since about 1951, the mixing percentage of domestic cigarette leaf required to qualify for the lower duty rate has been increased significantly to assure greater production and utilization of domestic tobacco.

For example, the mixing requirement was only 3 percent during 1947-51, when domestic production averaged less than 5 million pounds annually. In subsequent years, this requirement was increased rapidly until it reached 50 percent by January 1, 1966. By that time, Australian tobacco production had risen to almost 28 million pounds, and imports of U.S. tobacco were down to about 14 million pounds (compared with 28 million in 1957-58, when the mixing requirement was 14.5 percent).

In addition to increasing the percentages of domestic tobacco which the manufacturer must purchase to avoid paying the higher import duty, the regulations have been revised to require that he also purchase and hold in stock sufficient quantities of domestic leaf to meet the 50-percent mixing requirement for 1 year.

The mixing regulations have been supplemented in recent years by increased annual domestic "marketing quotas" under the stabilization plan. A production target is agreed to each year by the growers, who receive a very high average support price. Since 1962, the mixing percentages for domestic tobacco have been raised to the extent necessary to assure that manufacturers will purchase practically the entire annual output of flue-cured tobacco. In 1965, manufacturers were notified that their import certificates would not be renewed in the future unless at least the marketing quota was purchased.

Increased production targets and high prices to growers resulting from the mixing regulation, coupled with high import duties, have strongly encouraged the use of domestically grown tobacco. Imports of U.S. tobacco have declined from 38 million pounds in 1957 to about 14 million pounds in 1970, even though total leaf requirements for Australian manufacture have continued to increase. At the same time, a larger share of Australia's import requirement is now being supplied by countries other than the United States, such as South Korea, Thailand, the Philippine Republic, and Malawi.

Despite the increase in mixing requirements, current stocks of domestic leaf are estimated to be in excess of normal needs; at the end of 1970 they were about 12 percent higher than a year earlier. From the 1969 crop, more than 5 million pounds of leaf were held over; and production in 1971 is expected to reach a new record of about 39 million pounds, 4 million above the marketing quota. This will bring surplus stocks up to nearly 10 million pounds, almost one-third of

AUSTRALIA'S TOBACCO AREA, PRODUCTION, MARKETING, AND PRICES

Crop year	Area	Production	Marketing quota sales	Average price
	Acres	*1,000 pounds*	*1,000 pounds*	*U.S. dol. per pound*
1957.....	12,832	9,114	8,856	1.16
1958.....	13,976	12,262	12,010	1.16
1959.....	16,206	13,924	13,892	1.24
1960.....	21,298	20,316	19,778	1.28
1961.....	30,200	29,884	25,326	1.05
1962.....	28,162	21,182	20,548	1.31
1963.....	30,322	27,378	26,620	1.26
1964.....	38,243	34,102	31,516	1.15
1965.....	26,392	25,083	23,838	1.13
1966.....	23,244	27,668	26,023	1.30
1967.....	23,388	23,269	26,055	1.24
1968.....	22,688	24,123	24,758	1.28
1969.....	25,445	35,022	31,520	1.30
1970.....	26,665	39,000	34,851	1.28

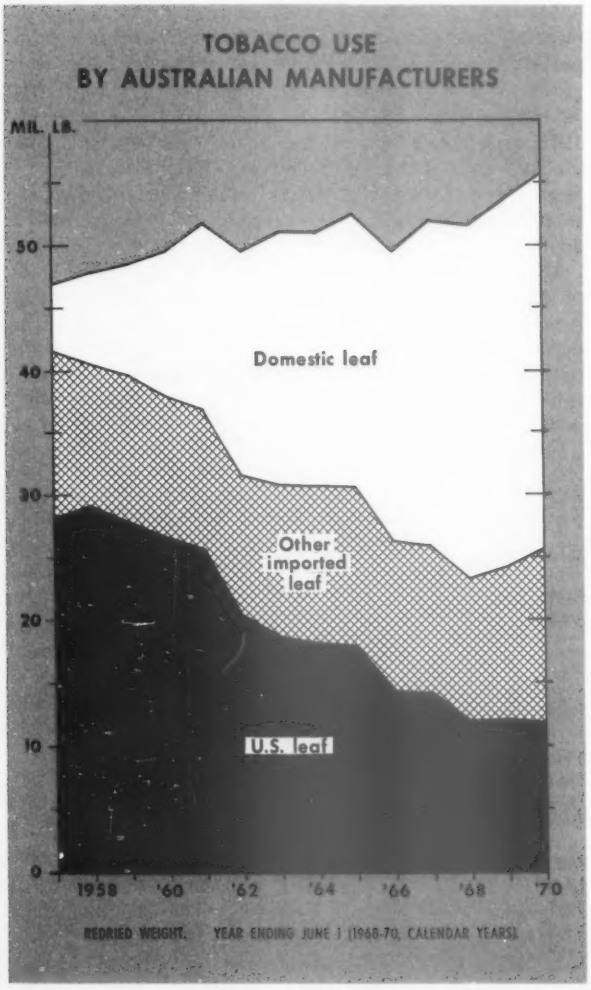
normal usage of domestic leaf.

Moreover, a 5-cent-per-pound increase in the minimum price schedule for all grades in the current season may be expected to bring strong pressures from grower representatives that this surplus leaf be taken by manufacturers. Also, the Government has delayed announcement of production targets for the 1971-72 crop until after marketing of the current crop has been completed.

In this situation, it appears reasonable to expect that imports of leaf in the year ahead will see some further reduction; and a sharper fall in imports of U.S. leaf may be foreshadowed by increased price competition from suppliers in Asia and elsewhere.

Australia's tobacco policies are designed to make it self-sufficient in tobacco at producer prices which are about 80 percent above U.S. producer prices.

The mixing regulations, which cause the industry to purchase domestic tobacco at artificially high prices regardless of quality, will continue to boost production at the expense of imports. Without some easing of these regulations and some effective production controls, tobacco output may be expected to pyramid far beyond self-sufficiency.



Yugoslavia May Be in a N
Aimed at Intensifying P

THE impressive farm production goals achieved by Yugoslavia this year—including a record crop of wheat—climax a quarter-century of change in policy to meet newly evolving circumstances. Beginning in 1946 with the country badly devastated by war, the process of agricultural improvement has moved all the way from a highly centralized system of management to one of decentralized self-management. Now, indications are that a new policy phase is about to begin—a phase of intensification in agriculture.

The new policy will have as its goal bringing "complete economic viability" to agriculture throughout the country, so that it will yield the maximum contribution to the whole society. One approach apparently being used already is to raise guaranteed prices to farmers, at the same time attempting in various ways to prevent these increases from being passed on to consumers. Another approach is to broaden the use of modern technology, especially on the small private farms in collaboration with the large social cooperatives.

Yugoslavia's farm policy immediately after World War II focused on reconstruction, then on agrarian reform in terms of land confiscation (nearly 4 million acres) and the establishment of peasant workers' cooperatives on the pattern of the Russian collective farm. But the administrative measures used under this system succeeded only in discouraging production —and at this point, Yugoslavia began to forge an agricultural system unique in the world.

The year 1953 saw a change (sometimes called the second agrarian reform). Under new legislation, peasants were permitted to withdraw from cooperatives and revert to private farming. State farm holdings were transferred into social enterprises under worker management; and a free market structure responsive to supply and demand was established.

The change was historic. On the one hand, it marked a departure from the traditionally socialist farming pattern used elsewhere in Eastern Europe; and on the other, it rejected the private farm pattern used in Western Europe.

In 1957, Parliament authorized the formation of cooperatives for large-scale production (the large social enterprises) and for general agriculture. Together, these make up the principal commercial portion of Yugoslavia's agriculture—the portion that contributes most to its exports and has made possible the dramatic increase in the country's total agricultural production.

The same legislation limited private farms to 10 hectares (about 25 acres) of arable land so that they would never develop into "capitalist" operations. Rather, it was hoped that any improvement in the private sector would come about by linking it with the large social holdings, thereby bringing about the ultimate and complete socialization of the country's agriculture. This intent still stands.

By 1968, Yugoslavia had placed close to 11 million acres, or 30 percent of its agricultural land, under social ownership and management. Of this, nearly 8 million were in 1,600

New Farm Policy Phase Private Farm Output

general cooperatives and 3 million in 287 large social holdings. Most of the latter are agribusiness combines that produce, process, package, distribute, retail, and even export their commodities, all under one management. While they average nearly 10,000 acres, some are close to 250,000 and handle over $80 million of business per year.

By 1970-71, this new social plan was regarded as a success. Goals of farm production, consumption, and export had been reached; a social sector had been established; modern technology was being employed; enterprises were managing their own affairs; and market prices were free. There had been a marked improvement in the standard of living and an increase in production per man.

However, growth in output has slowed down in the past few years. Factors involved have included uncertain markets abroad (largely for baby beef in Western Europe) and unseasonal weather. Consequently, in 1970-71, for the first time in many years, Yugoslavia had a trade deficit in agricultural and food commodities. Hence, agriculture's contribution to the total economy slipped. In fact, its problems may have contributed to inflation.

Ask any economist what Yugoslavia's agriculture needs most these days, and his quick reply is money and markets. A lack of funds is a limiting factor in the country's agriculture. Consequently, capital expansion, especially in the social sector, is restricted, and the growth of large farms has slowed. Likewise, area projects involving land reclamation, drainage, and irrigation are not moving forward as desired.

Economic planners emphasize that instability and changes in prices have become the most serious hindrance to the advancement of agricultural production. Yugoslavia's agriculture is experiencing a cost-price squeeze. On July 1, guaranteed prices for 20 major farm commodities were considerably increased, with the purpose of assuring continued production at desired levels. Meanwhile, the problem of preventing these increases from being passed on to the consumer is expected to be solved through an as yet untried scheme—the creation of a fund for subsidizing processors such as sugar mills, flour mills, and oil factories. The source of monies for the fund will be taxes on luxury items still unnamed.

Earlier, prices on a long list of food items were frozen at retail. The effort to achieve price stability through this means gradually became ineffective as most products (especially meat) reverted to the local market.

Another approach in the new phase is to bring the use of modern technology to every farm in Yugoslavia. Much has already been done in the social sector; in some practices, as for example the use of commercial fertilizer, optimums may have been achieved. However, more can be done, especially in irrigation, operational efficiency, and the like.

For the private farms, where most of the rural population continues to live, productivity is still low, mainly because holdings are too small. Since the 25-acre limit is rooted in constitutional principle, the problem of size is to be gradually solved by including these farms in the large-scale modern holdings of the general social cooperatives.

Soon after the "second agrarian reform" permitted Yugoslav peasants to return to private farming, this woman showed her Simmenthal heifer at the Novi Sad Fair and won third prize.

These cooperatives are considered as the nucleus for collecting land from private owners who die or move out, and also as the logical means for disseminating modern technology, through contracts with private owners. The large social holdings have been challenged to "accept the land and other production means of the private sector and, with the help of their own experts and all other means, to organize production and to collaborate with the private farm owners."

In the meantime, a more tolerant attitude is expected to prevail toward the small private farms. Old pressures to decrease their size seem to be disappearing. No one asks questions when additional land is rented.

A more viable agriculture is reportedly developing. Marginal land is being abandoned. More commercial fertilizer is being used, and demand for small tractors is rising (numbers have jumped from 6,000 in 1966 to around 48,000 now). Price supports and fertilizer subsidies, previously confined to the social sector, have been extended to private farms.

In addition, studies are being made that would provide some accommodation to the private sector. Involved are such possible approaches as grouping fragmented land parcels (at present the average private holding is only about 9 acres, and this may be in several separate pieces), grouping farms to facilitate power operations, and farm specialization to obtain the most from local resources, climate, and marketing opportunities.

—Based on a dispatch by FRANK W. EHMAN
U.S. Agricultural Attaché, Belgrade

A Decade of World Growth Lifts Fats and Oils Output To a New Record in 1971

By STANLEY MEHR
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World output of fats and oils soared to an alltime high of 41 million metric tons this year, with the United States accounting for a quarter of the total.

World fats and oils production has been mounting at a million-ton-a-year rate for the last decade. U.S. annual increases have averaged 265,000 tons, compared with about 750,000 tons for the rest of the world.

The phenomenal rise in U.S. soybean production during the last 10 years probably has attracted the most attention and, on a percentage basis, U.S. edible vegetable oils have gained by a wider margin than foreign oils. However, in terms of absolute tonnage, the foreign edible vegetable oils gained more than those in the United States.

Edible vegetable oils comprise the largest group of world fats and oils. There are nine important ones—soybean, cottonseed, peanut, sunflowerseed, rapeseed, sesameseed, safflower, olive, and corn. Their production this year totaled about 20.5 million tons, half the world's fats and oils tonnage.

The second largest group is the animal fats, which amounted to 12.8 million tons—a little over 30 percent of the world total. Animal fats include butter, lard, tallow, and greases.

The third group, the palm oils, which account for somewhat more than 10 percent of the world's fats and oils, include coconut, palm kernels, palm, and babassu kernels. Total tonnage this year was about 4.4 million.

These three groups accounted for 38 million of the 41-million-ton total.

The remainder—about 8 percent—consists of marine oils and industrial oils, including linseed, castor, oiticica, and tung.

The most dynamic expansion in fats and oils production has been in the edible vegetable oils and the most dynamic of these have been rapeseed, soybean, and sunflowerseed. In 10 years rapeseed oil output has expanded 97 percent; soybean, 86; and sunflower, 82. These represent growth rates of 8 to 10 percent a year.

The increase in rapeseed—mainly because of expanded acreage—has been spectacular in Canada and France. Canada became the world's leading producer and exporter by a wide margin when difficulties in marketing wheat prompted diversion of land to rapeseed. Also, oilseed prices to Canadian farmers have been high for more than 2 years.

France attributes its expansion to the Common Agricultural Policy of the European Community (EC), which provides a price to farmers far above world prices.

Rapeseed production also has been up substantially in Poland, India, and West Germany, another EC country.

The United States has been responsible for most of the increase in soybean production. In 1961, the United States grew 60 percent of the world's soybeans. Since then, U.S. output has more than doubled, mainly because of expanded acreage. Today, the United States produces three-fourths of the world crop and ships more than 90 percent of world exports.

Brazil, too, has sharply upped its production of soybeans by several hundred percent. However, the 1971 record Brazilian crop totaled only 77.2 million bushels, against a U.S. crop of nearly 1.2 billion bushels.

Sunflowerseed oil output boomed until 1968. The boom was caused mainly by larger yields of seed per acre and higher oil content of improved varieties. The gain was concentrated in Eastern Europe, chiefly the Soviet Union, followed by Romania, Bulgaria, and Yugoslavia. Bad weather in 1969 and 1970 adversely affected the crops in these countries.

In Argentina, another major producer, the sunflowerseed crop has been very erratic, but presently appears to be trending upward.

Although the overall expansion in edible vegetable oils has soared by 7 million tons—50 percent—in the last decade, the rate of expansion has varied considerably between the individual oils. Some have remained static or even declined.

Production of olive oil, for example, with the least potential for expansion, has remained static, aside from the usual cycle of good years alternating with bad.

Another fairly inactive crop is cottonseed. The byproduct of cotton, which has been hemmed in by manmade fibers, cottonseed output has expanded at a rate of less than 1.5 percent annually during the last 10 years.

Peanut oil, too, has shown little dy-

namism, gaining less than 2 percent a year. Actually, international trade in peanut oil has shown a decrease. This happened because the considerable gains in production were made in India and the United States, which consume virtually all the peanuts they produce, while the major exporters—Nigeria and Senegal—have had serious setbacks in their output. At one time, peanut oil was close behind soybean oil as the second most important edible vegetable oil. However, it has been displaced by sunflowerseed oil, which is now second, but far behind soybean oil.

The second group of fats and oils—those of animal origin—have the least propensity for growth. Neither animal herds nor their yields can be increased dramatically on a worldwide basis within a few years. However, production of animal fats has risen in the last decade by roughly 2 million tons, nearly 3 percent a year. There are differential rates of growth between individual animal fats. For example, lard has been expanding at less than 1 percent a year, butterfat at about 1.5, and tallow and grease at more than 3.

Palm oils—the third most important fats and oils group—have made modest gains. They have risen 13 percent in the 10-year span, less than 1.3 percent a year. Within this group, coconut is the most important oil. Its output has declined by 7 percent. Palm oil production, on the other hand, has jumped 50 percent and now is crowding coconut oil in magnitude. A sharp upward trend in palm oil output began in 1968 and is expected to continue for the next several years. Heavy plantings of palm trees in Malaysia during the sixties are credited with this rise. Equatorial West Africa and Latin America also have expanded palm acreage.

Coconut oil began recovering in 1970 from a depressed level of production caused by years of drought. Increased plantings and favorable weather are stimulating greater output in the Philippines. Given adequate rainfall, the world crop should show moderate gains in the next few years.

In the future as in the recent past, prices will influence production. Rising prices actuate expanded plantings which show up in oil production. In the case of annual crops, such as sunflowerseed and rapeseed, the increase could be apparent in a fairly short time. For tree crops, like palm or coconut, it could be some years before increased tree numbers manifest themselves as oil.

Even for annual crops, the effect of prices on supplies is not instantaneous. High 1970 prices, for example, inspired greater rapeseed and probably peanut plantings in the spring of 1971 in the Northern Hemisphere. With average yields, these will produce larger crops this fall and larger oil supplies in 1972.

Thus there will be a year's lag between a rise in oilseed prices and larger oil supplies. Of course, unusually good or bad weather can affect yields and offset changes in acreage.

The rough outlines of a price versus production cycle can be discerned in the last decade. Rising foreign vegetable oil prices in 1963, 1964, and 1965 probably triggered the increases in foreign vegetable oil production in 1964, 1965, and 1966. The increases apparently were too much for the market and prices dropped in 1966, 1967, and 1968. This, in turn, dampened foreign production in 1969 and 1970. Between 1968 and 1970 foreign production of fats and oils rose only 264,000 tons, while the increase based on the trend should have been more than 1.5 million for the 2-year period.

However, prices advanced more sharply in 1969 and 1970 than in any of the preceding years of the decade. This probably will result in a stimulation of foreign production well above the trend of 750,000 tons annually. Given average weather conditions, this could manifest itself in both 1972 and 1973 oil production. At the moment, it seems that the biggest expansion will be in palm oil, coconut oil, rapeseed, and possibly peanuts.

Palm and coconut trees are already in the ground and approaching bearing age. For the next several years, the yield per tree will rise as the trees grow larger and approach maturity.

As for rapeseed, Canada has millions of acres of land available for expanded plantings if wheat and barley markets appear unpromising.

The recent high prices of both peanuts and peanut oil could encourage both increased acreage and improved cultural practices in West Africa.

Expansion in sunflowerseed oil production will depend on Communist Government policies, but recent attractive prices are expected to have a definite impact on output. In addition, Argentine sunflowerseed acreage already is responding to the unprecedented sunflower oil prices.

Exceptionally high soybean oil prices are expected to stimulate plantings by U.S. farmers. And, in Brazil, soybean acreage already is being sharply expanded as a result of the price rise.

High prices also are prompting the emergence of completely new areas of production. This is now occurring with sunflowerseed in Australia, Spain, and the United States.

Thus, if current trends continue, the world may, in a few years, again be more concerned with surpluses of fats and oils than with shortages.

Far left, pouring soybeans into planter in the United States (Rural Services photo). Left, oil palm in Malaysia after palm fruits have been harvested.

APPLE AND PEAR CROPS STILL CLOG EUROPEAN MARKETS

EUROPE'S 1971 apple and pear crops are expected to be smaller than those of a year earlier but still large by historical standards. Total European apple production is estimated at 7.9 million metric tons compared with 8 million tons in 1970. Pear output is down from 3.8 million tons last year to 3.4 million in 1971.

Of Europe's three major producers —France, West Germany, and Italy— only France will show increased production of apples and pears.

Despite the drop in overall output, apple and pear crops are still larger than domestic and export markets can absorb. Because of this overproduction, characteristic of the past few years, large quantities of fruit have been withheld from the market and destroyed.

Other European nations are the best export customers for European apple and pear producers, although such areas as Latin America are being opened to French fruit. The United States makes some small shipments of apples and pears to the United Kingdom and Scandinavia, and to several other smaller importers, but France's penetration of the European market has virtually precluded U.S. and Canadian participation.

As the result of chronic overproduction, fruit growers in some European countries are removing fruit trees. At the same time, however, others are increasing plantings.

Fruit growers within the European Community receive nearly $325 per acre for grubbing fruit trees. As of March 1, a total of 60,262 applicants had asked for permission to destroy 239,636 acres of trees—161,850 acres of apple trees, 61,256 acres of pear trees, and 16,530 acres of peach trees. However, on that date only 64,624 acres had actually been destroyed.

Growers have the option of waiting until March 1, 1973, to decide whether they will remove trees. Many are delaying to see if market conditions will improve by then.

In the United Kingdom, tree acreages have dropped steadily in the past several years. On the other hand, Spanish farmers planted more than 1.8 million apple trees and nearly a half million pear trees in 1970 alone.

PRODUCTION. The Ministry of Agriculture has forecast that **France** will have an apple crop of some 1.72 million metric tons in 1971, compared with 1.68 million tons last year.

Total French pear production in 1971 is forecast at 512,500 tons, compared with 457,000 tons a year earlier.

Italian apple production should approximate 1.8 million tons in 1971, 14 percent less than the 1970 level.

Total Italian 1971 pear production is also estimated at about 1.8 million tons, equal to the apple crop. Production of summer pears is expected to reach some 700,000 metric tons, 2 percent less than in 1970; fall pears, approximately 450,000 tons, 11 percent less; and winter pears, about 550,000 tons, or 16 percent less.

Apple production in **West Germany** stabilized during the past 2 years at 1.8 million metric tons, while pear output dropped from 551,000 tons in 1970 to 380,000 tons this year.

Although the current year's apple production is slightly smaller than last year's, it is still 9 percent greater than the average for the past 5 years. Pear output, however, is estimated at 31 percent less than last year's but only about 17 percent lower than the 5-year average (1966-70).

TRADE. France's total apple exports amounted to 489,632 tons in 1970-71, compared with 438,344 tons a year earlier. Exports of apples to most of France's European customers rose between 1969-70 and 1970-71.

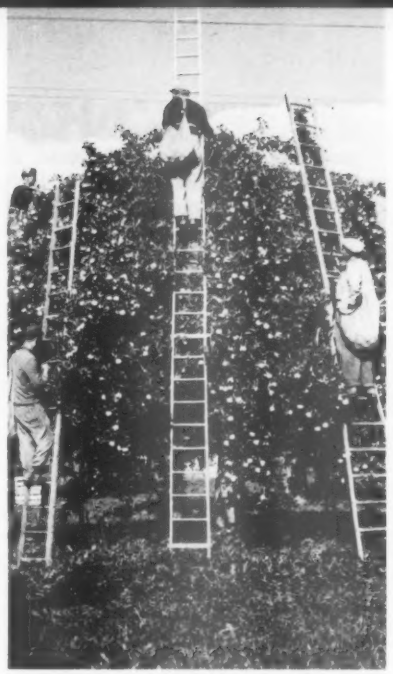
French apple exports to Latin America have been on a general uptrend and in the past 4 years they experienced a more than sixfold increase.

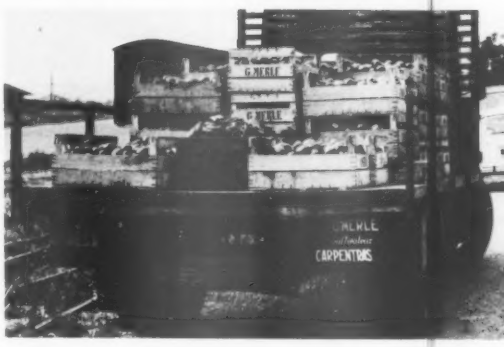
Total 1970-71 French pear exports amounted to 44,180 tons, compared with 45,000 tons a year earlier. Latin America, particularly Venezuela, appears to be gaining momentum as an export market for French pears.

Belgium is a traditional net importer of both apples and pears. Imports of apples during 1970 were practically unchanged from the previous year; however, France continued to increase its share of this market.

Imports of pears fell 13 percent in 1970; however, shipments of French pears were again higher. Although relatively small, imports of U.S. pears by the Belgium-Luxembourg Economic Union increased from 9 tons in 1969 to 24.4 tons in 1970.

Preliminary statistics show that during 1970-71 **Italy** exported approximately 240,000 metric tons of pears. This was a decline of 15 percent from the previous year. The main reason for the decline in trade was good crops in





Apples from orchard to consumer (reading from far left, clockwise): Swiss pickers mount ladders to reach fruit; German apples ready for trip to packer; apples at French packinghouse; a German consumer examines bagged fruit in a self-service market.

many of the countries that are major importers of Italian pears.

Exports of fresh Italian apples during 1970-71 are estimated at 370,000 metric tons, up 23 percent from the previous year. This rather high increase reflects a fluctuating demand for apples within the EC, especially Germany, rather than an expanding export market in the countries that normally import Italian apples.

Apple exports by the **Netherlands** in the 1970-71 season increased by 6 percent over the preceding season, to 59,241 tons. Increases in exports to West Germany from 27,632 metric tons in 1969-70 to 40,842 tons in 1970-71 were mainly because of a smaller crop in that country.

Fresh apple imports from non-EC countries occur mainly in April, May, June, and July. In that period, 1970 Dutch imports from the United States amounted to 970 metric tons against 1,646 tons the preceding year.

In 1970, **West Germany's** total table apple imports amounted to 572,400 metric tons, only slightly less than during the previous year when they amounted to 582,400 tons. About 84 percent of West Germany's apples were imported from other EC member countries. The remaining quantity was supplied primarily by Southern Hemisphere producers such as Argentina, Australia, and New Zealand.

Apples and pears are imported into the **United Kingdom** under two arrangements. Fruit from outside the sterling area is subject to quotas, while imports from sterling sources may enter without restriction. In 1970-71 imports of apples from sterling-area countries amounted to 163,758 tons.

Major suppliers of sterling-area apples are Australia, South Africa, and New Zealand, with a small quantity coming from the Irish Republic.

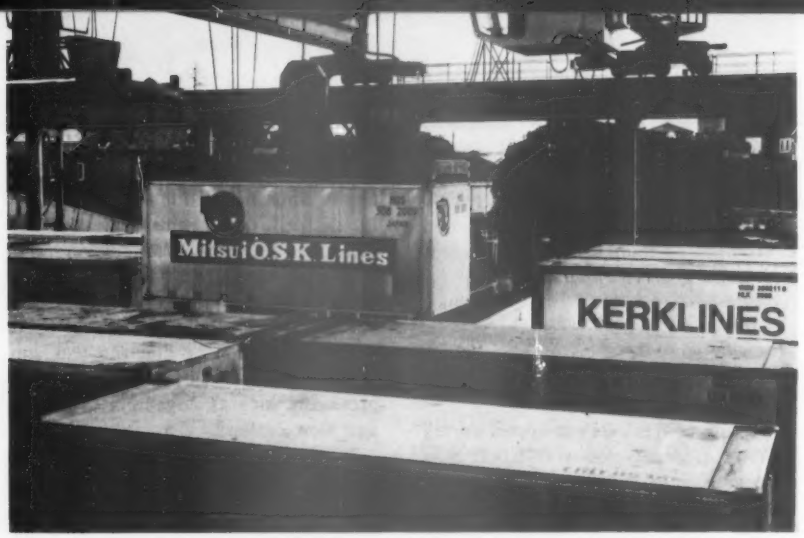
France was by far the largest supplier of the apples from nonsterling countries, shipping 56,010 tons in 1970-71, an increase of 4,845 tons above the previous year. Imports of U.S. apples fell by 1,252 tons—from 5,463 tons in 1969-70 to 4,211 tons 1 year later.

APPLE AND PEAR PRODUCTION BY MAJOR EUROPEAN PRODUCING COUNTRIES[1]

Countries	Apples			Pears		
	1970	1971[2]	Change	1970	1971[2]	Change
	1,000 metric tons	*1,000 metric tons*	*Percent*	*1,000 metric tons*	*1,000 metric tons*	*Percent*
European Community:						
Belgium-Luxembourg	251	272	+ 8	99	60	−39
France	1,682	1,722	+ 2	457	512	+12
Germany, West	1,777	1,756	− 1	551	380	−31
Italy	2,062	1,770	−14	1,906	1,770	− 7
Netherlands	450	480	+26	160	100	−38
Total EC	6,222	6,000	− 4	3,173	2,822	−12
Other Europe:						
Austria	188	158	−16	52	48	− 8
Denmark[3]	83	80	− 4	10	8	−20
Greece	207	224	+ 8	109	114	+ 5
Norway	48	50	+ 4	10	9	−10
Spain	386	425	+10	194	225	+16
Sweden[3]	43	36	−16	7	4	−43
Switzerland[4]	90	125	+38	21	18	−14
United Kingdom	508	462	− 9	77	66	−14
Yugoslavia	277	332	+20	112	110	− 2
Total other Europe	1,830	1,892	+ 3	592	602	+ 1
Total Europe	8,052	7,892	− 2	3,765	3,424	−10

[1] May include some cider apples in countries not reporting separately. [2] Preliminary. [3] Commercial crop, including quantities not harvested and excess cullage. [4] Excludes apples utilized for cider, juice, and livestock feeding.

Foreign Agricultural Service. Based on official statistics of foreign Governments, other foreign sources, reports from U.S. Agricultural Attachés and Foreign Service Officers, offiice research, and related information.



Containerized apple shipments reduce freight and handling costs.

Australian Apple and Pear Growers Seek U.S. Markets

Despite excellent growing conditions and a near-record harvest, Australian pear and apple growers are depressed about their future.

Apple production reached a record 23.5 million bushels in the 1970-71 season—1.3 million bushels more than last year's record harvest. This year's pear crop of 8.2 million bushels is 1.1 million bushels below last season's record harvest, but still the second best on record. Future increases in both pear and apple production are predicted for several seasons to come.

Growers are worried, however, because their traditional export markets in Western Europe and the United Kingdom are weakening, and are expected to decline even further when the United Kingdom enters the European Community.

Growers are also concerned about proposed increases in shipping rates to the European markets, which could raise shipping costs by 25 percent—and further erode their competitive position.

Total exports of apples are likely to reach a record 8.1 million bushels this season, despite the declining profits in Western Europe and the United Kingdom, where exports totaled 6.3 million bushels. Shipments to Southeast Asia reached 1.2 million bushels, half of which went to Malaysia and Singapore. The United States became a major market for apples—mostly for the Granny Smith variety—taking a total of 345,000 bushels.

Exports of pears should reach about 2 million bushels in the 1971 season, about the same as last season, but shipping patterns show significant shifts. Shipments to Western Europe and the United Kingdom were considerably below those of last season—1.1 million bushels this season compared to 1.4 million bushels a year ago. Exports to Southeast Asia totaled 300,000 bushels. An expanding market in the United States—485,000 bushels—helped offset losses in Europe. Sales of pears to Canada also increased, totaling 115,000 bushels this year.

Increased freight rates for fruit are expected to make exports less marketable in Western Europe and the United Kingdom. Rates did not rise in 1971, the last year of a 3-year agreement negotiated with the Australian Tonnage Committee of the U.K.-European Conference; however, a sharp increase is expected in 1972. The European Conference has proposed a 25-percent increase that has deadlocked negotiations conducted with the Australian Apple and Pear Board. Rate increases to the Far East and North America have also been predicted, and would make market development in those areas more difficult.

This season's large harvest, coupled with a depressed export market, has produced an oversupply of apples and pears which has caused great difficulties for the industry. Many growers have not been able to cover the costs of production and minimum living expenses.

In the Goulburn Valley, about 25,000 long tons of pears had to be dumped because canners would not accept all the available fruit for processing. Large quantities of apples have been left to rot following restrictions on exports of certain undesirable or less popular varieties and the imposition of stricter inspection criteria. There was no demand for apples from the processing industry, except for juicing—and then only at low prices.

Apple and pear growers are exerting increasing pressure on the Apple and Pear Board to adopt a centralized marketing plan along the lines of those developed by the New Zealand and South African Apple and Pear Boards.

Growers have also demanded that the Government help solve the current crisis of oversupply and depressed markets. Legislation introduced into Parliament on August 19 would supply a A$10 million fund to stabilize apple and pear prices for the next 5 years. The fund would cover prices at a maximum of $0.90 per bushel up to a 4.4-million-bushel maximum. If shipments of fruit exceed that amount, the maximum payment would be reduced pro rata. For example, if 8.8 million bushels —twice the maximum amount—were shipped, the maximum payment per bushel would be cut in half, to $0.45.

The next few years should be difficult for the Australian apple and pear industry. Oversupply and poor overseas markets may require considerable readjustments, including both reduced harvests and more aggressive market development. Some orchards are already being pulled out in Tasmania.

The United States (and to a lesser extent, Canada) will become the target of more intensive marketing efforts by the Australian apple and pear industry, especially as the markets in Western Europe and the United Kingdom continue to decline.

For many Australian growers, the dramatic increase in shipments to the United States was the most significant development of the 1971 season.

Eggs and Poultry Are Major Items in the Israeli Diet

In 1970, the average Israeli citizen scrambled, fried, poached, boiled, or otherwise consumed 412 eggs—more than the average citizen of any other country in the world—according to the International Egg Commission. He also ate 65.6 pounds of poultry, the least expensive meat available in Israel, which amounted to 62 percent of the meat in his diet.

While these facts underscore the importance of poultry to the Israeli appetite, they also suggest the growing significance of poultry production and exports to Israeli agriculture.

Egg production. In Israel, production of eggs is closely regulated and supported by the Government: Each producer is assigned a quota and is paid a subsidy of 4.5 cents per dozen eggs.

About 70 percent of the country's eggs are marketed by three large producer cooperatives. They operate at a fixed margin, since both producer and consumer prices for eggs are controlled by the Government.

Producers are paid according to a sliding scale of the number of eggs per kilogram—the price depends on the size and weight of the eggs. The price level averaged 41.1 cents per dozen (not including the 4.5 cent subsidy) from October 1970 to April 1971.

The retail price for eggs is currently 47 cents per dozen, which is only 14 percent higher than the price paid to producers.

Production of table eggs in 1970 totaled 94.8 million dozen, a slight decline from the 95.3 million dozen produced in 1969; however, the forecast for 1971 points to an increase—up to 104.2 million dozen.

Exports of eggs. During the early 1960's, exports of edible shell eggs were of considerable importance to the Israeli poultry industry. With the implementation of the European Community's CAP for poultry in 1962, however, Israeli exports of eggs became uneconomical and shipments declined. Since production could not effectively adjust to this loss of exports, large surpluses accrued in 1967 and most of 1968.

The surpluses were partially reduced by a one-time export of eggs for breaking to the United States and by a contract with the U.S. Armed Forces in Turkey for 41,700 dozen fresh table eggs per month.

Later in 1968, an egg shortage—partly caused by an outbreak of Newcastle disease—caused eggs to be imported in 1968 and 1969.

Exports had still not recovered in 1970, when shipments totaled only 2.3 million dozen—1.75 million dozen hatching eggs and 583,000 dozen table eggs.

Exports for 1971 are expected to jump to 9.3 million dozen, thanks to another predicted surplus. Shipments of hatching eggs are expected to decline to 1.4 million dozen, while shipments of table eggs will reach 7.9 million dozen —most of which will be exported in some processed form.

Exports of processed eggs should be helped by a new egg breaking plant which began operation in June at Kiryat Gat, between Tel Aviv and Beersheva. The plant, which has a stated capacity of 12 million eggs per month, produces frozen whole mixed eggs, but will eventually dry or freeze egg yolk and albumen as well. Most of the processed eggs are expected to be shipped overseas.

Poultry meat production. In Israel, although there are no maximum retail prices for poultry, producers are guaranteed minimum prices by the Government. However, production under price support is regulated by a quota system: support prices do not apply to production in excess of the quota. Since wholesale prices have remained above support prices continuously since January 1971, the quota system has had little effect on production during the current year.

Israel produced an estimated 110,000 tons of poultry (live weight) in 1970, and should increase production to about 123,000 tons in 1971.

Recent increases in poultry production have been in both broilers and turkeys, which amounted to 77 percent and 16 percent, respectively, of total production in 1970.

Special attention has been given to turkey production, which has grown from 14,500 tons (live weight) in 1969 to an estimated 23,000 tons in 1971.

Poultry exports. In the years before 1970, goose liver was Israel's major poultry product export, totaling 92 metric tons (valued at $1.2 million) in 1970, most of which was exported to France. However, marketing problems encountered in late 1970 may cause future production of goose liver to be processed as pâté de foie gras in Israel under a French license.

Trial exports of frozen turkey cuts were shipped to two supermarket chains in Germany and Switzerland early in 1971. Subsequent increases in the price of turkey meat curtailed further exports, although a $15,000 order was executed before the price increase. Exports of turkey meat will probably remain insignificant in the near future, due to high domestic demand.

—Based on a dispatch from
DUANE W. CLARK
U.S. Agricultural Attaché, Tel Aviv

Poultry display at Israeli supermarket.

U.S. Sugar Act Extended —New Quotas Established

By LESLIE C. HURT
Sugar and Tropical Products Division
Foreign Agricultural Service

On October 14, 1971, President Nixon signed the extension and amendment of the Sugar Act of 1948 that Congress had approved earlier in the month. The new law will come into effect when the sugar legislation of 1965 (the year the act was last amended) expires at the end of 1971 and will be effective until the end of 1974. This extension retains many provisions of the 1965 act, but there are several changes.

The existing relationship between U.S. and foreign quotas is approximately maintained. Therefore, quotas for domestic producers represent about 62 percent of requirements while foreign countries have quotas for about 38 percent.

Three countries which did not previously have quotas—Paraguay, Malawi, and Uganda—have been included. Quotas for the French West Indies have been eliminated. The quota for the Mainland cane areas (Florida and Louisiana) has been increased by 300,000 short tons. The Puerto Rican quota was reduced by 285,000 tons and that of the Virgin Islands by 15,000 tons.

Quotas may be allotted to new U.S. cane areas in the amount of 100,000 tons beginning in 1973. Acreage to yield a similar amount of beet sugar may be allotted from normal market growth to localities that will be served by new or substantially enlarged sugar-beet-processing facilities. The Cuban reserve of 1.5 million tons was reduced from 50 percent to 23.74 percent of quotas other than those for the Philippines and Ireland. This permanently reallocates 761,861 tons.

The new act requires that the initial determination of quotas for the coming calendar year be made by the Secretary of Agriculture during October, rather than some time during the last 3 months of the year, as at present.

There is also a change in the method of determining the price objective for sugar. Beginning in January 1972, a price objective will be established to reflect the simple average of the parity index (1967 = 100) and the wholesale price index (1967 = 100). The established price objective will be based on the relationship of the price objective for the period September 1, 1970, through August 31, 1971, and the simple average of the two above indexes for the same period.

Under the new law, the President is allowed the discretionary authority to suspend part of the quota rather than all of it (a requirement of the present law) and, at his discretion, levy a tax up to $20 per ton on sugar from any country expropriating U.S. property.

The provision in the present law that gives the President discretionary power to distribute deficits when, in his judgment, such a distribution would be in "the national interest" was maintained. No specific limitations or ceilings are placed on foreign country quota allocations. Deficit allocations to the Philippines will amount to 30.08 percent rather than the current 47.22 percent.

The new law provides that imports of beet sugar molasses will be limited in quantity if the Secretary of Agriculture determines that they will substantially interfere with the act's objectives.

There will also be a quota on confections beginning in 1972. This quota will be equal to the larger of (1) the average total quantity of sweetened chocolate and confections in specified tariff classifications which entered in the 3 calendar years immediately preceding the year the quota is determined, or (2) a quantity equal to 5 percent of the amount of sweetened chocolate and confections of U.S. manufacture sold in the United States in the most recent calendar year with available data.

In the following table, the total domestic quota of 6,910,000 short tons has been reduced to reflect allocations and prorations of domestic deficits to foreign countries based on an 11.2 million ton requirement.

U.S. SUGAR QUOTAS

Producing area	Present distribution [1]	1972-74 distribution
	Short tons [2]	*Short tons* [2]
United States:		
Beet sugar	3,406,333	3,406,000
Cane sugar:		
Mainland	1,538,667	1,539,000
Hawaii	1,110,000	1,110,000
Puerto Rico	355,000	230,000
Virgin Islands	0	0
Total domestic areas	[3] 6,410,000	[4] 6,285,000
Mexico	557,748	561,581
Dominican Rep.	545,481	634,874
Brazil	545,581	547,905
Peru	435,087	391,839
West Indies	188,777	204,520
Ecuador	79,370	80,774
French West Indies	59,384	0
Argentina	67,102	76,050
Costa Rica	64,217	68,610
Nicaragua	64,217	64,217
Colombia	57,723	67,368
Guatemala	54,115	58,350
Panama [5]	40,406	41,567
El Salvador	39,682	42,693
Haiti	30,305	30,704
Venezuela	27,419	61,026
British Honduras	13,752	33,537
Bahamas	10,000	27,000
Bolivia	6,494	6,193
Honduras	6,494	11,750
Paraguay	0	6,193
Philippines	1,362,120	1,314,020
Australia	203,785	203,785
China, Rep.	84,910	84,910
India	81,514	81,514
South Africa	60,003	57,745
Fiji Islands	44,719	44,719
Thailand	18,681	18,681
Mauritius	18,681	30,150
Malagasy Republic	9,623	12,149
Swaziland	7,359	30,150
Malawi [5]	0	0
Uganda	0	15,075
Ireland	5,351	5,351
Total foreign	4,790,000	4,915,000
Total	11,200,000	11,200,000

[1] Distribution of foreign quotas under present act as recommended to the Senate Finance Committee by the administration. [2] Raw value. [3] Reflects the allocation and proration of 500,000 tons of domestic deficits to foreign countries. [4] Reflects the allocation and proration of 625,000 tons of domestic deficits to foreign countries. [5] For 1973 and subsequent years the quota for Panama would be increased to 62,947 tons and a quota would be established for Malawi of 15,000 tons and other quotas reduced proportionately.

CROPS AND MARKETS

Grains, Feeds, Pulses, and Seeds

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Oct. 20	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-14	1.95	+2	[2] 2.14
USSR SKS-14	([1])	([1])	([1])
Australian FAQ	1.67	+1	1.88
U.S. No. 2 Dark Northern Spring:			
14 percent	1.84	+2	2.07
15 percent	([1])	([1])	2.10
U.S. No. 2 Hard Winter:			
13.5 percent	1.78	0	1.97
No. 3 Hard Amber Durum	1.80	+6	2.05
Argentine	([1])	([1])	([1])
U.S. No. 2 Soft Red Winter	1.73	+1	1.88
Feedgrains:			
U.S. No. 3 Yellow corn	1.35	+3	1.75
Argentine Plate corn	1.53	+2	1.92
U.S. No. 2 sorghum	1.33	0	1.68
Argentine-Granifero sorghum	1.33	−1	1.70
U.S. No. 3 Feed barley	.98	+2	1.49
Soybeans:			
U.S. No. 2 Yellow	3.42	+3	3.31
EC import levies:			
Wheat [3]	[5] 1.54	0	1.27
Corn [4]	[5] 1.05	−3	.64
Sorghum [4]	[5] 1.09	0	.61

[1] Not quoted. [2] Manitoba No. 2. [3] Durum has a separate levy. [4] Until Aug. 1, 1972, Italian levies are 19 cents a bu. lower than those of other EC countries. [5] Effective October 14, 1971 advance fixing of levies is limited to 30 days. Note: Basis— 30- to 60-day delivery.

Fats, Oils, and Oilseeds

U.S. Soybeans, August Exports

U.S. soybean exports in August, at 31.3 million bushels, showed a slight gain of 2.3 million bushels from the August 1970 total. September-August exports reached a new high of 432.8 million bushels, 1 percent, or 4.1 million bushels, above the record 428.7 million exported during the 1969-70 marketing year.

Japan remained the largest single market for U.S. soybeans, receiving 102.8 million bushels compared with 101.4 million a year ago. Exports to West Germany, at 53.0 million bushels compared with 41.8 million last year, represented the largest increase—11.2 million bushels—during 1970-71. In addition, heavier shipments to France and Italy brought the total exported to the European Community to 162.8 million bushels, a gain of 12 percent from last year.

Larger quantities were taken by Israel, Denmark, Spain, and Norway. Exports to Canada, however, mainly soybeans for transshipment to other destinations, declined to 41.8 million bushels, 37 percent below the 66.0 million exported in the preceding year. Undoubtedly, the decline reflects smaller transshipments via Canada this year.

U.S. EXPORTS OF SOYBEANS

Country of destination	August		September-August	
	1970 [1]	1971 [1]	1969-70 [1]	1970-71 [1]
	Mil. bu.	*Mil. bu.*	*Mil. bu.*	*Mil. bu.*
Belgium-Luxembourg	0.6	0.7	16.1	13.2
France	1.2	1.1	5.0	13.2
Germany, West	4.1	3.2	41.8	53.0
Italy	.4	1.8	25.4	26.0
Netherlands	3.0	5.0	57.4	57.4
Total EC [2]	9.3	11.8	145.7	162.8
Japan	9.9	8.8	101.4	102.8
Canada	4.1	3.8	66.0	41.8
Spain	2.2	2.2	36.3	38.7
Denmark	.6	2.1	18.4	21.4
China, Taiwan	1.2	1.3	21.2	19.6
Israel	0	0	8.3	12.8
Norway	.5	.4	5.4	7.5
United Kingdom	.1	0	7.5	5.9
Poland	0	0	4.9	3.1
Venezuela	.5	0	2.1	3.0
Korea, Republic	.3	.5	1.3	2.5
Mexico	.1	([3])	5.0	2.2
Singapore	.2	.2	1.5	1.3
Hungary	0	0	.5	1.2
Yugoslavia	0	0	0	1.1
Others	0	.2	3.2	5.1
Total [2]	29.0	31.3	428.7	432.8
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
Oil equivalent	318.8	344.2	4,707.3	4,752.0
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Meal equivalent	682.3	736.7	10,074.9	10,170.5

[1] Preliminary. [2] Totals computed from unrounded data. [3] Less than 50,000 bu. Bureau of the Census.

U.S. Edible Oils, August Exports

U.S. soybean oil exports in August declined to 92.4 million pounds—down 50.8 million pounds from the 143.2 million exported in August 1970. October-August exports, however, at 1.61 billion pounds, were 28 percent higher than the 1.25 billion pounds exported through August a year ago.

The increase was entirely in commercial sales. These sales, estimated at 931 million pounds, represented nearly 60 percent of the total, an increase of 66 percent from last year's sales of 562.3 million pounds. Public Law 480 shipments, at 674.5 million pounds, declined slightly from the 691.1 million shipped through August last year.

Principal markets for soybean oil this year have been Pakistan, Yugoslavia, India, Iran, Peru, Morocco, Tunisia, and Chile. Exports to these countries accounted for 75 percent of the total.

Cottonseed oil exports in August totaled only 14.3 million pounds—down 80 percent from July exports of 69.8 million, but somewhat higher than the August 1970 total of 8.9 million pounds. October-August exports of 345 million pounds still lagged 90 million behind the total of 435 million pounds in the same period last year.

Over 90 percent of the cottonseed oil exported this year went to the European Community, the United Arab Republic, Venezuela, the United Kingdom, Poland, Canada, and Sweden. Commercial sales accounted for all but 10 million pounds of this year's exports.

U.S. EXPORTS OF EDIBLE OILS

Item and country of destination	August		October-August	
	1970 [1]	1971 [1]	1969-70 [1]	1970-71 [1]
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
Soybean: [2]				
Pakistan	33.7	4.9	350.8	255.8
Yugoslavia	1.3	0	1.3	255.7
India	10.4	24.3	211.6	238.0
Iran	3.1	0	122.5	119.5
Peru	15.7	23.2	53.8	110.4
Morocco	11.5	(3)	40.4	87.5
Tunisia	0	0	77.5	76.7
Chile	.2	.2	27.1	57.7
Canada	5.4	.5	45.8	45.0
Israel	15.3	.1	35.9	39.4
Turkey	0	6.9	6.3	30.8
Haiti	2.1	1.5	18.1	24.6
Panama	1.6	.1	12.9	23.0
Dominican Republic	2.4	1.6	17.8	22.5
Ecuador	(3)	.4	8.6	19.2
China, Taiwan	2.2	4.0	3.3	18.2
Vietnam, South	0	10.6	4.5	17.8
Colombia	.3	2.1	16.2	15.3
Greece	0	0	0	12.1
Jamaica	.6	1.8	15.1	10.4
United Kingdom	.7	0	12.2	9.7
Malaysia	0	0	0	8.9
Singapore	2.0	0	3.1	8.8
Mauritius	0	0	15.4	8.6
Australia	(3)	.2	8.3	7.5
Guinea	0	0	.1	6.9
Brazil	.3	0	9.6	5.5
Others	34.4	10.0	135.2	70.0
Total [4]	143.2	92.4	1,253.4	1,605.5
Cottonseed: [2]				
Belgium-Luxembourg	0	0	5.6	.7
France	(3)	0	(3)	.1
Germany, West	.6	5.0	34.3	50.4
Italy	0	0	(3)	(3)
Netherlands	0	0	33.9	19.9
Total EC [4]	.6	5.0	73.9	71.1
U.A.R.	0	0	64.7	67.3
Venezuela	0	2.2	40.1	60.0
United Kingdom	0	2.2	70.1	35.7
Poland	6.4	0	23.0	31.9
Canada	1.6	1.7	26.3	25.4
Sweden	0	1.7	11.9	20.2
Morocco	0	0	12.2	8.8
Mexico	0	0	33.8	7.0
Switzerland	0	0	0	4.7
Australia	.1	0	.2	4.1
Iran	0	0	37.7	1.7
Japan	0	0	5.5	1.1
Others	.2	1.5	35.7	6.0
Total [4]	8.9	14.3	435.0	345.0
Total oils	152.1	106.7	1,688.4	1,950.5

[1] Preliminary. [2] Includes shipments under P.L. 480 as reported by Census. [3] Less than 50,000 lb. [4] Totals computed from unrounded data. Bureau of the Census.

U.S. Oilcakes and Meals, August Exports

U.S. soybean meal exports in August, at 349,700 tons, exceeded the 289,000 tons exported in August 1970 by 21 percent, or 60,700 tons. October-August exports reached 4.07 million tons—up 8 percent from the 3.75 million exported through August last year.

A gain of 202,200 tons, or 8 percent, was registered in exports to the European Community, particularly Belgium-Luxembourg, France, and West Germany. Exports to West Germany rose to 863,300 tons, the largest quantity of U.S. soybean meal shipped to any destination. Heavier shipments to other major markets included Yugoslavia, the United Kingdom, Mexico, Denmark, and Czechoslovakia. Less soybean meal, however, was taken by Canada, Poland, Switzerland, and Ireland.

In addition to the increased exports of soybean meal, larger exports of cottonseed, linseed, and other cakes and meals brought total exports to 4.25 million tons, an increase of 371,200 tons from October-August exports last year.

U.S. EXPORTS OF CAKES AND MEALS

Item and country of destination	August		October-August	
	1970 [1]	1971 [1]	1969-70 [1]	1970-71 [1]
Soybean:	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Belgium-Luxembourg	24.4	28.7	197.4	272.5
France	42.3	55.0	570.3	654.1
Germany, West	35.5	76.1	834.6	863.3
Italy	19.2	19.1	291.1	302.3
Netherlands	41.3	62.8	605.8	609.2
Total EC [2]	162.7	241.6	2,499.2	2,701.4
Canada	21.6	16.1	248.2	218.5
Yugoslavia	10.0	0	161.4	186.8
Hungary	7.4	23.3	147.5	142.7
United Kingdom	2.3	11.4	40.7	98.7
Poland	15.2	13.6	109.9	95.5
Mexico	.1	17.5	2.4	94.3
Denmark	0	8.2	32.5	85.6
Czechoslovakia	18.4	0	36.2	64.6
Switzerland	8.8	4.1	103.0	59.3
Philippines	5.5	0	44.6	46.1
Ireland	3.0	0	46.9	36.5
Bulgaria	9.9	0	40.3	32.9
Australia	3.2	.6	33.1	29.8
Korea, Republic	7.1	0	18.1	26.1
Lebanon	1.1	0	15.8	25.5
Vietnam, South	.2	0	.3	19.4
Portugal	3.4	0	12.1	9.2
Others	9.1	13.2	160.4	98.5
Total [3]	289.0	349.0	3,752.6	4,071.4
Cottonseed	12.6	(3)	18.7	26.9
Linseed	8.6	10.9	65.2	84.7
Total cakes & meals [4]	314.9	363.2	3,881.0	4,252.2

[1] Preliminary. [2] Totals computed from unrounded data. [3] Less than 50 tons. [4] Includes peanut and small quantities of other cakes and meals. Bureau of the Census.

Tobacco

Pakistan Sends Tobacco to Italy for Buses

Recent reports indicate that some 250 Italian buses will be imported by Pakistan and, in return, Pakistan will export tobacco to Italy.

The buses imported by Pakistan are to be financed out of the normal credit arrangements extended by Italy to Pakistan. Pakistan will repay the Italian loan for buses in the form of tobacco. Under the terms of the trade arrangement, the tobacco will be imported into Italy by the bus manufacturer, who will turn over the entire consignment to the Italian Tobacco Monopoly.

Canadian Tobacco Group Visits China

A delegation of the Ontario Flue-Cured Tobacco Growers' Marketing Board will visit the People's Republic of China in November to attend the Chinese Export Commodities Fair in Canton. The trip is being made at the invitation of the Chinese Government and has the blessing of the Canadian Government.

The directors making the trip hope to ecourage Chinese purchases of Canadian tobacco. On the same trip, the delegation plans to meet with the Japanese Tobacco Monopoly in Tokyo to discuss the sale of Canadian tobacco to Japan.

Dairy and Poultry

Japan's Poultry Meat Imports Up Sharply

Japan's imports of poultry meat during January-June 1971 totaled 11,260 metric tons. This was more than twice the quantity imported during January-June 1970, and 260 tons above total imports in calendar 1970. Japan's poultry meat imports in 1970, however, were down 46 percent from 1969.

The big increase in January-June 1971 imports is reported to be the result of somewhat less than expected expansion in the domestic industry, strong producer prices for poultry, and active selling by foreign suppliers, especially Canada, the United States, and Bulgaria. While the U.S. market share declined, imports from the United States increased by 92 percent to 2,986 tons. Canada, a newcomer to this market, supplied 1,346 tons. Imports from Bulgaria rose sharply from 190 tons in the first half of 1970 to 2,069 tons in the first 6 months of this year. Imports from Mainland China were up 5 percent. Approximately 38 tons of turkey meat were imported from the United States compared with 15 tons in the same period of 1970.

The requirement that all imported poultry meat be inspected for salmonella, effective June 28, is expected to have a dampening effect on poultry meat imports for the remainder the year. Since there is no systematic hygiene inspection for Japan's domestic poultry meat, most foreign countries consider testing of imported meat a discriminatory measure.

Japanese production of chicken meat in 1971 is now forecast at 537,000 metric tons, up 10 percent from the 1970 output, but less than was previously expected for the year. Prices to producers for broilers have averaged the equivalent of 27.8 U.S. cents a pound during the first half of the year, compared with 24.8 cents a pound during the comparable period of 1970.

JAPANESE IMPORTS OF POULTRY MEAT

Country of origin	January-June 1970	January-June 1971
	Metric tons	*Metric tons*
United States	1,553	2,986
Bulgaria	190	2,069
China, Mainland	1,292	1,356
Canada	—	1,346
Denmark	381	1,320
Hungary	978	1,153
Netherlands	42	954
Poland	30	46
France	—	30
Rumania	130	—
Belgium	20	—
Total	4,616	11,260

Sugar and Tropical Products

Ivory Coast Coffee, Cocoa Prices Unchanged

The Ivory Coast Government has announced that coffee and cocoa producer prices for the 1971-72 season will be maintained at the same level as that paid during the preceding crop year.

Coffee producer prices are CFAF105 per kilogram (17.1 U.S. cents per pound), and the price paid to cocoa farmers will remain at CFAF85 per kilogram (13.9 cents per pound).

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Correction: October 11, 1971, "Better Harvests in People's Republic of China Strengthen Push for Economic Development": figure in first sentence should read 240 million metric tons.

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Foreign Agriculture

P. L. 480 Sales Total $284 Million in May-September

Sales agreements for U.S. agricultural commodities under Title I of Public Law 480 totaled more than $284 million from May through September. Twenty-one agreements were negotiated during that period: nine were new and 12 were amendments to existing agreements.

The largest was an $88.7 million agreement with South Vietnam, which included $22.9 million for 158,000 bales of cotton; $18.1 million for 269,000 metric tons of wheat and wheat flour; $17.3 million for 51,200 metric tons of soybean oil and/or cottonseed oil; $16.4 million for 7,800 metric tons of tobacco; $6.7 million for 12,700 metric tons of nonfat dry milk; $5.4 million for 84,000 metric tons of feedgrains; and $1.9 million for 160,000 cases of sweetened condensed milk.

Payment will be made in piastres, 80 percent of which will be set aside for grants for common defense. All deliveries will be made in fiscal 1972.

Vietnam also negotiated a $3.2 million amendment to an existing agreement for the purchase of an additional 9,600 metric tons of vegetable oil for delivery in fiscal 1971 and 1972.

Pakistan signed two agreements under P.L. 480 during the May-September period. The first was a $15.3 million agreement providing emergency relief to victims of the cyclone and floods in East Pakistan. The 100,000 metric tons of wheat or wheat equivalent in flour and 50,000 metric tons of rice are for delivery in fiscal 1972.

Pakistan also negotiated a $40.8 million agreement which will provide relief and rehabilitation for East Pakistan. The agreement includes 500,000 metric tons of wheat or wheat equivalent in flour and 25,000 metric tons of soybean oil and/or cottonseed oil, both for delivery in fiscal 1972.

Ninety-three percent of the rupees received in payment will be made available as grants to finance economic development projects in East Pakistan.

Other P.L. 480 Title I agreements signed during the period include:

Morocco: $3.07 million added to an existing agreement for the purchase of an additional 10,000 metric tons of vegetable oil in fiscal 1971.

India: $7.5 million added to an existing agreement for the purchase of an additional 27,000 metric tons of vegetable oil in fiscal 1971 and 1972.

India: $800,000 added to an existing agreement to permit the Government of India to complete purchase of the full 200,000 bales of cotton originally provided in fiscal 1971.

Colombia: $3.09 million added to an existing agreement for an extra 50,000 metric tons of wheat in fiscal 1971.

Iran: $3 million added to an existing agreement for the purchase of an additional 50,000 metric tons of wheat in fiscal 1971.

Guinea: $4.7 million for the purchase of 12,700 metric tons of wheat flour, 16,000 metric tons of rice, 3,000 bales of cotton, and 1,500 metric tons of soybean oil and/or cottonseed oil, all for delivery in fiscal 1972.

Ecuador: $3.85 million for 5,000 metric tons of soybean oil and/or cottonseed oil, 30,000 metric tons of wheat or wheat equivalent in flour, and a small amount of tobacco, all for delivery in fiscal 1971.

Iran: $2.78 million added to an existing agreement which, when combined with other funds available in the agreement, provided an additional 150,000 metric tons of wheat in fiscal 1972.

Iran: $9.14 million added to an existing agreement for an additional 85,000 metric tons of barley and 80,000 metric tons of wheat, both for delivery in fiscal 1972.

Israel: $2.2 million added to an existing agreement to permit the Government of Israel to complete purchases of the full 600,000 metric tons of feedgrains and 15,000 metric tons of edible vegetable oil originally provided in the calendar 1971 agreement.

Indonesia: $59.1 million for 350,000 metric tons of rice in calendar 1971.

Morocco: $24.95 million for 150,000 metric tons of wheat or wheat equivalent in flour, 20,000 bales of upland cotton, and 40,000 metric tons of soybean oil and/or cottonseed oil, all for delivery in fiscal 1972.

Afghanistan: $6.1 million for 100,000 metric tons of wheat or wheat equivalent in flour in fiscal 1972 to meet a drought emergency.

Lebanon: $4.2 million for 68,000 metric tons of wheat or wheat equivalent in flour in fiscal 1972.

Cambodia: $400,000 added to an existing agreement for an additional 500 metric tons of vegetable oil and 2,500 metric tons of wheat flour, both for delivery in calendar 1971.

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